

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA, .

PLAINTIFF, . CASE NO. 2:13-CR-183(1)

vs. . COLUMBUS, OHIO  
DECEMBER 23, 2013

AMER AHMAD, .

DEFENDANT. .

. . . . .

TRANSCRIPT OF PLEA PROCEEDINGS  
BEFORE THE HONORABLE MICHAEL H. WATSON  
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE PLAINTIFF: MARK T. D'ALESSANDRO  
First Assistant United States Attorney  
By: DOUGLAS W. SQUIRES  
Assistant United States Attorney

JACK SMITH  
Chief, Public Integrity  
By: ERIC L. GIBSON  
Trial Attorney  
Public Integrity Section

FOR THE DEFENDANT: KARL H. SCHNEIDER, ESQUIRE  
TRINA GOETHALS, ESQUIRE

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## Monday Afternoon Session

December 23, 2013

2:30 p.m.

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THE COURTROOM DEPUTY: 2:13-CR-183(1), United States  
of America verses Amer Ahmad.

Counsel, please enter your appearances.

MR. SQUIRES: Thank you, Your Honor.

Doug Squires, along with Eric Gibson for the United States. Also at counsel table is Special Agent Jeff Rees of the FBI.

THE COURT: Good afternoon.

MR. SCHNEIDER: Your Honor, Karl Schneider and my colleague, Trina Goethals, are here representing Mr. Ahmad who is seated right here next to me as well. Thank you.

THE COURT: Very good.

Good afternoon to you as well.

Mr. Ahmad, I need you to rise and raise your right hand and be sworn, sir.

(Defendant sworn.)

THE COURT: The purpose of placing you under oath, sir, is to make you aware that you're in a federal courtroom under oath and we expect that you're going to tell us the truth. But to the extent that something you would say today turns out not to be the absolute truth, you may face

1 additional charges for perjury or making a false statement.

2 Do you understand that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: All right. State your full name for the  
5 record, if you would, sir.

6 THE DEFENDANT: My name is Amer Ahmad.

7 THE COURT: All right. No middle name?

8 THE DEFENDANT: No middle name, Your Honor.

9 THE COURT: All right. And your age is?

10 THE DEFENDANT: My age is 39 years old, Your Honor.

11 THE COURT: Citizen of the United States?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: All right. Your educational background,  
14 sir?

15 THE DEFENDANT: I attended high school at North Canton  
16 Hoover High School in North Canton, Ohio. I attended college  
17 at Columbia University in New York for a bachelor's in  
18 political science and I attended Harvard University where I  
19 received my master's in business administration.

20 THE COURT: Small little school in Massachusetts.

21 THE DEFENDANT: Yes.

22 THE COURT: Please be seated.

23 You can read and write the English language?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: All right. You have previously had the

1                   opportunity to review the charges against you with counsel,  
2                   correct?

3                   THE DEFENDANT: Yes, Your Honor.

4                   THE COURT: And it's my understanding that you have  
5                   previously entered not guilty pleas to the indictment in this  
6                   case; is that correct?

7                   THE DEFENDANT: That is correct, Your Honor.

8                   THE COURT: And today you wish to change your  
9                   previously entered not guilty plea and enter guilty pleas to  
10                  several of these charges; is that correct?

11                  THE DEFENDANT: Yes, Your Honor.

12                  THE COURT: Mr. Schneider.

13                  MR. SCHNEIDER: Yes, sir.

14                  THE COURT: Have you had the opportunity to review the  
15                  defenses that Mr. Ahmad might have to these charges with him?

16                  MR. SCHNEIDER: We have, Your Honor. Extensively.

17                  THE COURT: Do you believe he has understood all of  
18                  your counseling and advice?

19                  MR. SCHNEIDER: I do.

20                  THE COURT: Sir, are you currently on any medications  
21                  of any type?

22                  THE DEFENDANT: Yes, Your Honor, I am.

23                  THE COURT: And are you under the treatment of a  
24                  mental health professional?

25                  THE DEFENDANT: Yes, Your Honor, I am.

1                   THE COURT: And do those medications affect your  
2 ability to understand the nature of these proceedings, for  
3 instance?

4                   THE DEFENDANT: No, Your Honor. I understand.

5                   THE COURT: And, Mr. Schneider, do you believe that  
6 Mr. Ahmad is capable, even with the medication, of  
7 understanding the nature of these proceedings?

8                   MR. SCHNEIDER: Without any doubt at all, Your Honor,  
9 yes.

10                  THE COURT: Very good.

11                  All right. Mr. Squires, if you would please, or  
12 Mr. Gibson, if you would please outline the plea agreement  
13 for the record.

14                  MR. SQUIRES: Yes, Your Honor.

15                  There is a written plea agreement in this case between  
16 the United States and the defendant Amer Ahmad and his  
17 attorneys. And the summary of that plea agreement, written  
18 plea agreement is as follows:

19                  The offense and maximum penalties are spelled out in the  
20 first paragraph in that the defendant agrees to plead guilty  
21 to Counts 1 and 2 of a multiple-count indictment, that being  
22 an eight-count indictment as well as a forfeiture allegation  
23 filed in this case on August 15th of 2013.

24                  Count 1 or one of the agreed charges to plead guilty to  
25 charges the defendant with conspiracy to commit federal

1 program bribery, honest services wire fraud, and money  
2 laundering in violation of Title 18 United States Code  
3 Section 371 as well as those substantive offenses. The  
4 maximum penalties for Count 1 is a maximum term of five years  
5 imprisonment, a fine of \$250,000, a \$100 special assessment,  
6 and three years of supervised release. The maximum penalties  
7 for Count 2 is a maximum term of ten years imprisonment, fine  
8 of \$250,000, a \$100 special assessment, and three years of  
9 supervised release.

10 Specifically, Count 2, Your Honor, is the federal  
11 program bribery violation of Title 18 United States Code  
12 Section 666.

13 Defendant understands that supervised release terms in  
14 addition to any prison term in the written agreement also  
15 spells out what the violation of any term of supervised  
16 release could mean to him.

17 Your Honor, there's a factual basis for the plea in that  
18 we have a written statement of facts in this case which is  
19 hereby incorporated both in this plea agreement and offered  
20 to the Court in support of the record. The defendant admits  
21 the facts set forth in the statement of facts with this  
22 agreement and agrees that those facts establish guilt on the  
23 offense charged beyond a reasonable doubt.

24 Your Honor, the defendant understands the Court intends  
25 to question him on the record regarding such facts and that

1 any misstatements could be a later charge of perjury.

2                 Regarding trial and assistance and advice of counsel.

3                 The defendant is satisfied with his current attorneys and  
4                 they have rendered effective assistance. That is a specific  
5                 and written term. Defendant understands by entering this  
6                 agreement he surrenders certain rights provided for by this  
7                 agreement including certain trial rights. Among those, to be  
8                 represented by an attorney, if he can't afford one, one could  
9                 be appointed; to plead not guilty and be tried by a jury; to  
10                 be assisted by counsel during such jury; to confront and  
11                 cross-examine witnesses; to use compulsory process to summon  
12                 witnesses; not to be compelled to testify; and, to be  
13                 presumed innocent throughout trial unless found guilty by a  
14                 jury.

15                 Most significantly, Your Honor, the defendant  
16                 understands if the plea of guilty to the charges set forth in  
17                 Count 1 and 2 of the indictment are accepted there will be no  
18                 trial of any kind, so that by pleading guilty he waives or  
19                 gives up the rights that I just mentioned.

20                 Regarding the role of the Court and probation office.  
21                 The defendant understands the Court has jurisdiction and  
22                 authority to impose any sentence within the statutory maximum  
23                 described above but that the Court will determine the  
24                 defendant's actual sentence in accordance with Title 18  
25                 United States Code Section 3553(a). The defendant also

1 understands the pursuant to *Booker*, the sentencing guidelines  
2 are no longer mandatory but otherwise advisory.

3 As to the sentencing guidelines, Your Honor. In  
4 accordance with Rule 11(c)(1)(B) of the Federal Rules of  
5 Criminal Procedure, and in light of both the offense and  
6 relevant conduct, the United States and the defendant will  
7 recommend the Court apply the provisions of United States  
8 Guideline Manual effective November 1st of 2010 in this case.  
9 United States and the defendant agree the defendant has  
10 assisted the government in the investigation and prosecution  
11 by timely notifying authorities of his intention to plead  
12 guilty, of course saving the Court and the government time,  
13 permitting the government to avoid unnecessary trial  
14 preparation and costs of trial.

15 The defendant and the United States agree that pursuant  
16 to 2B1.1, the amount of the loss which can't be reasonably  
17 determined to a precise dollar shall be measured by the gain  
18 to the conspirators and that resulted from the offense and  
19 that amount is \$3,212,877.91. Which, according to the  
20 guidelines of the United States Sentencing Guidelines, is  
21 more than \$2.5 million but not more than \$7 million resulting  
22 in a base level increase of 18 levels.

23 Defendant understands these stipulations and agreements  
24 as to the guideline factors are not binding on the Court or  
25 probation office for the determination of factual findings

1 and recommendations to the Court.

2                 Regarding waiver and appeal, FOIA, and privacy rights,  
3 Your Honor. The defendant understands that the defendant has  
4 a right to appeal any sentence imposed. Nonetheless, the  
5 defendant knowingly waives right to appeal the conviction and  
6 any sentence within the statutory maximum described above on  
7 the grounds set forth in 18 United States Code Section 3742  
8 or any ground whatsoever in exchange for the concessions made  
9 by the United States in this agreement, Your Honor. This  
10 agreement does not affect the right or obligations as set  
11 forth in Title 18 United States Code Section 3742. He agrees  
12 to waive all rights and of course still has protection for  
13 prosecutorial misconduct or ineffective assistance of  
14 counsel, retaining those rights as appellate rights.

15                 Defendant understands he's not a prevailing party in  
16 this case.

17                 As to the special assessment. That shall be \$100 for  
18 each count of the two counts of conviction, Your Honor.

19                 The payment of monetary penalties and stipulated  
20 forfeiture. The defendant understands and agrees that  
21 whatever monetary penalties and forfeiture are imposed by the  
22 Court will be due and payable immediately and subject to  
23 immediate enforcement by the United States as provided for by  
24 law. The defendant agrees not to contest forfeiture alleged  
25 in the indictment -- and that specific count is alleged as a

1       separate forfeiture count in the indictment -- and agrees to  
2       the entry of a criminal monetary judgment in the amount of  
3       \$3,212,877.91, the same amount that we talked about regarding  
4       the stipulation regarding loss. Defendant agrees to provide  
5       all financial information for the collection of such fees,  
6       and it goes on to describe how he will cooperate with the  
7       government in collection of those fees and not contest any  
8       administrative action against him.

9               Regarding further prosecution in this district, Your  
10      Honor. The defendant understands the agreement does not  
11      protect him from prosecution from perjury should he testify  
12      untruthfully or for making false statements. Nor is he  
13      protected from prosecution for other crimes or offenses which  
14      he does not disclose or about which he provides false  
15      information and which the United States discovers by  
16      independent investigation. It goes on to say that should the  
17      defendant fail to comply fully with the terms and conditions  
18      set forth herein or should he fail to appear as required for  
19      sentencing, the agreement is voidable at the election of the  
20      United States in which case the defendant shall be subject to  
21      prosecution as if the agreement had never been made.

22               This is also a significant section here under section 9,  
23      Your Honor. If the Court accepts the defendant's pleas of  
24      guilty and the defendant fulfills each of the terms and  
25      conditions of the agreement, the Public Integrity Section,

Criminal Division for the US Department of Justice and the United States Attorney's Office for the Southern District of Ohio agree that it will not further prosecute the defendant for any crimes described in the indictment or statement of facts, but that statement is limited to the indictment or the statement of facts contained and presented to the Court here today.

Your Honor, regarding waiver of protections of proffer agreements. To enable the government's proffer of facts to prove at trial, the defendant unconditionally waives protections contained in prior proffer agreements. We did that by letter, Your Honor, at least on two occasions with the defendant with the same letter. And the defendant agrees the government may use all statements provided by him, without limitation, in any proceeding brought by the government against the defendant.

Use of information provided by the defendant under this agreement. Essentially no truthful information that the defendant provides under the agreement will be used in determining the applicable guideline range except provided in section 2B1.8. And of course that section is 1B1.8 allowing those protections that the Court knows well.

Regarding a breach of the plea agreement and remedies.

The agreement is effective and signed by the defendant, the defendant's attorney, and attorney for the United States.

1       That occurred on today's date, Your Honor, just prior to this  
2 hearing. We sat down in the US Attorney's Office for that  
3 purpose. The defendant agrees to enter the agreement on the  
4 date and time scheduled by the Court and as we are here  
5 today. If the defendant withdraws from the agreement,  
6 otherwise violates any provision then, and there are certain  
7 remedies, the United States will be released from the  
8 obligations on the agreement. The defendant will be subject  
9 to prosecution for any criminal violation and prosecution  
10 including the prosecution of the subject of this agreement  
11 premised upon information provided. And it goes on to spell  
12 out essentially the due process concerns regarding any breach  
13 of the agreement and determinations by the Court.

14           Your Honor, regarding the nature of the agreement and  
15 modifications and collateral consequences. Written agreement  
16 constitutes the complete plea agreement between the US, the  
17 defendant and Defendant's counsel. The defendant and his  
18 attorney acknowledge that no threats, promises or  
19 representations have been made or agreements reached other  
20 than those set forth in the agreement to cause the defendant  
21 to plead guilty. Any modification of the agreement shall be  
22 only as set forth in writing as a supplemental to this  
23 revised agreement signed by all parties.

24           Lastly, Your Honor, the defendant understands and  
25 accepts in addition to any criminal sanctions, he may be

subject to any civil or administrative consequences including, but not limited to, civil liability and loss of professional licenses including professional licenses regarding finances or any other that he may hold.

Your Honor, this was signed under the signature of the First Assistant United States Attorney, bears my signature, Doug Squires. Also signed under Jack Smith, the Chief of the Public Integrity Section for the US Department of Justice in the criminal division, and it bears Mr. Eric Gibson's signature, trial attorney in the Public Integrity Section with today's date.

The last page of that includes the defendant's signature with some additional cautions and instructions. It bears two dates. Mr. Amer Ahmad as the defendant signed it both yesterday and today to make sure that that was his, in fact, true signature. We have a wet signature before the Court, Your Honor. And as well as defense counsel's signature both Ms. Trina Goethals and Karl Schneider have signed it on today's date with their bar numbers.

That's a summary of the written plea agreement, Your Honor.

THE COURT: Okay. And the statement of facts is lengthy. It's a twelve-page statement of facts that's quite detailed. Do you wish to append this to the plea agreement at this time?

1 MR. SQUIRES: Yes, Your Honor. Thank you.

2 That is a twelve-page statement of facts. As indicated  
3 in the written terms, it is also signed by the defendant and  
4 his attorneys, as I've indicated, both on yesterday's date by  
5 the defendant and today's date by his attorneys.

6 THE COURT: And do you wish to have either Mr. Gibson  
7 or your agent go over this twelve-page statement of facts?

8 MR. SQUIRES: Mr. Gibson will offer the Court the  
9 abbreviated statement of facts for purposes of this plea  
10 hearing.

11 THE COURT: Very good. Thank you.

12 MR. GIBSON: Good afternoon, Your Honor.

13 THE COURT: Good afternoon, sir. How are you?

14 MR. GIBSON: Good. Thank you.

15 By way of summarizing the statement of facts, I would  
16 note first that the Treasurer of the State of Ohio is the  
17 State's cash manager and chief investment officer with the  
18 duty of managing and collecting the public funds. The office  
19 of the Treasurer of the State of Ohio has an investments  
20 department whose responsibility it is to actively manage the  
21 State's multi-billion dollar investment portfolio. The State  
22 of Ohio, whose funds are invested by the treasury, receives  
23 in excess of \$10,000 in federal funds annually.

24 That said, in connection with the statement of facts, in  
25 summary, from approximately January of 2009 through January

1           of 2011, this Defendant Mr. Ahmad and others conspired to use  
2           Ahmad's role as Deputy Treasurer to direct official State of  
3           Ohio broker services business to Douglas E. Hampton, the  
4           securities broker from Canton, Ohio, in return for payments  
5           from Hampton. Ahmad and Joseph M. Chiavaroli, who were in  
6           business together in a landscaping company, concealed those  
7           payments from Hampton by passing them through the accounts of  
8           the landscaping business in which Ahmad and Chiavaroli both  
9           held ownership interests. Hampton also tunneled in excess of  
10          \$123,000 to Mohammed Noure Alo an attorney/lobbyist who was  
11          Ahmad's close personal friend and business associate and did  
12          so at Mr. Ahmad's direction.

13           As a result of the scheme, Mr. Hampton received  
14          approximately \$3.2 million in commissions, 360 trades on  
15          behalf of the Ohio treasurer's office. Mr. Ahmad and his  
16          co-conspirators in exchange received in excess of \$500,000  
17          from Hampton.

18           In connection with executing the honest services wire  
19          fraud scheme, the following interstate wire communications  
20          were made: On December 18 of 2010 as a result of the  
21          conspiracy, \$123,622.50 was wire transferred from Defendant  
22          Hampton using HCM's business account at RBS Citizens Bank  
23          headquartered in Providence, Rhode Island to a bank account  
24          JPMorgan Chase belonging to Mohammed Noure Alo.

25           Also in execution and furtherance of the scheme, on

1           March 30th of 2010, as a result of the co-conspirators  
2 actions, there's a \$120,000 wire transfer from Hampton's  
3 personal account the RBS Citizens Bank headquartered again in  
4 Providence, Rhode Island to the landscaping business'  
5 checking account at JPMorgan Chase.

6           With respect to the conspiracy to commit money  
7 laundering, paragraph 50 details several transactions showing  
8 that the proceeds of the bribery scheme were in fact spent in  
9 violation of Title 18 Section 1957. Specifically, March 30th  
10 of 2010, \$22,000 from a \$100,000 wire transfer from Hampton's  
11 personal account at RBS Citizens Bank which was sent to the  
12 landscaping business was then used by Defendant Ahmad and his  
13 co-conspirator Joseph Chiavaroli to pay \$22,000 to Ahmad's  
14 personal credit card at JPMorgan Chase.

15           Additionally, on August 31st of 2010, using a \$300,000  
16 deposit from Hampton which was part of the scheme on  
17 August 30th of 2010, which money was deposited in the  
18 landscaping company's savings account, Defendants Ahmad and  
19 Chiavaroli made two transfers totaling \$188,000 from the  
20 landscaping company's savings account to company B's or the  
21 landscaping company's checking account and from there,  
22 Mr. Chiavaroli wrote a \$30,000 check drawn on the company's  
23 checking account to Mr. Ahmad; Mr. Ahmad deposited into his  
24 money market savings account on or about August 30th of 2010.

25           Additionally, on August 31st of 2010 from that same

1           \$300,000 deposit from Hampton, \$20,000 -- \$20,350.54 was  
2 transferred by Mr. Ahmad and Mr. Chiavaroli from the  
3 company's savings account to the company's checking account  
4 and then a \$20,000 -- \$20,350.54 e-payment was authorized by  
5 Mr. Ahmad and Mr. Chiavaroli again going to Mr. Ahmad's  
6 JPMorgan Chase credit card.

7           That would be a summary of the scheme.

8           THE COURT: Thank you.

9           Mr. Schneider, first and foremost, the plea agreement,  
10 that is a ten-page plea agreement containing 13 paragraphs.  
11 Did you fully explain this plea agreement to Mr. Ahmad?

12           MR. SCHNEIDER: I have, Your Honor. In different  
13 versions and up until this weekend and this particular one  
14 that he has executed. He's been over it with us on several  
15 occasions. And I can also say that the summary of the plea  
16 agreement that was entered in the record by Mr. Squires is  
17 accurate from our understanding as to the terms and  
18 conditions of this particular arrangement.

19           THE COURT: Thank you.

20           Trina, do you believe that your client has understood  
21 all of your counseling and advice throughout the time that  
22 you've been able to spend with him?

23           MS. GOETHALS: Yes, Your Honor.

24           THE COURT: All right. Mr. Ahmad, you also read this  
25 plea agreement, correct?

1                   THE DEFENDANT: Yes, Your Honor. Numerous times.

2                   THE COURT: And you had it explained to you by  
3 counsel?

4                   THE DEFENDANT: Yes, Your Honor.

5                   THE COURT: And they answered all of your questions to  
6 your satisfaction?

7                   THE DEFENDANT: Yes.

8                   THE COURT: And have you been completely satisfied  
9 with the advice, representation and counsel provided to you?

10                  THE DEFENDANT: Yes, Your Honor.

11                  THE COURT: Do you feel that all of the  
12 representations that the government has made to you are  
13 contained -- with respect to how this case will be resolved  
14 are contained within this plea agreement?

15                  THE DEFENDANT: Yes, Your Honor.

16                  THE COURT: Do you understand that the plea agreement  
17 is an agreement between yourself, your counsel, and counsel  
18 for the government?

19                  THE DEFENDANT: Yes, Your Honor.

20                  THE COURT: I'm not a party to it. I'm not bound by  
21 it. So that I can sentence you consecutively to the  
22 statutory maximum sentences. Do you understand that?

23                  THE DEFENDANT: Yes, Your Honor, I do.

24                  THE COURT: I could do that.

25                  THE DEFENDANT: Yes, Your Honor.

1                   THE COURT: 18 United States Code Section 3553(a)  
2 governs sentencing. One of the 3553(a) factors that I must  
3 consider are the sentencing guidelines. The sentencing  
4 guidelines are no longer mandatory. They are advisory. They  
5 will produce a different number, a different range of  
6 sentence undoubtedly than the statutory maximums. The Court  
7 will consider both. But I want you to understand that you  
8 could face the maximum consecutive sentence.

9                   Do you understand that?

10                  THE DEFENDANT: I do understand that, Your Honor.

11                  THE COURT: All right. Do you feel that you have been  
12 threatened in any way by any agent of the government at any  
13 time to bring you to the point that you find yourself at at  
14 this point? Do you feel coerced, in other words, to enter  
15 into this plea agreement?

16                  THE DEFENDANT: No, I do not feel coerced.

17                  THE COURT: Are you offering to plead guilty to Counts  
18 1 and 2 of this indictment because you are indeed guilty of  
19 these two offenses?

20                  THE DEFENDANT: Yes, Your Honor.

21                  THE COURT: All right. You understand that these are  
22 federal felonies?

23                  THE DEFENDANT: Yes, Your Honor.

24                  THE COURT: That you will lose your right to vote,  
25 your right to hold public office, your right to serve on a

1       jury, your right to possess a firearm for the period of time  
2       associated with these convictions and that the only way to  
3       restore those rights is to serve the time and any subsequent  
4       supervised release and to apply for some form of presidential  
5       clemency and have that granted? Do you understand that?

6           THE DEFENDANT: I do understand that, Your Honor.

7           THE COURT: Do you understand the concept of  
8       supervised release?

9           THE DEFENDANT: Yes, Your Honor, I do.

10          THE COURT: So it's a period of postconviction,  
11       postincarceration supervision by the Court's probation  
12       department. There are standard conditions that everyone on  
13       supervised release must follow. There will undoubtedly be  
14       special conditions that would apply to your case because of  
15       the nature of the charges. If you were to violate supervised  
16       release you could be brought back before the Court for a  
17       revocation proceeding and one of the options the Court would  
18       have would be to revoke supervised release and to possibly  
19       send you back to prison for a period of time with a new term  
20       of supervised release to be imposed with no credit for time  
21       already served on supervised release.

22           You're aware of that?

23           THE DEFENDANT: Yes, Your Honor.

24          THE COURT: All right. You have the following rights:  
25       You may still plead not guilty to these charges and persist

1       in that not guilty plea. If you were to do so, you'd have a  
2       right to a jury trial. Do you understand that?

3             THE DEFENDANT: I understand that, yes.

4             THE COURT: At every stage of the proceedings you have  
5       the right to be represented by counsel. Do you understand  
6       that?

7             THE DEFENDANT: Yes, Your Honor.

8             THE COURT: You have no burden of proof at trial.  
9       Instead, the government must prove each of the elements of  
10      these two offenses beyond a reasonable doubt. And if they  
11      fail to prove any one of the elements for either of these  
12      offenses, you can't be convicted of it that offense. All  
13      right?

14             THE DEFENDANT: Yes, Your Honor.

15             THE COURT: And when I say all right, I'm really  
16      asking a question. Do you understand?

17             THE DEFENDANT: I understand, Your Honor.

18             THE COURT: For any reviewing court.

19       So in any event. Through counsel, you have the right to  
20      confront and cross-examine the government's witnesses that  
21      would be called against you. Do you understand that?

22             THE DEFENDANT: Yes, Your Honor.

23             THE COURT: If you elected to remain silent, in other  
24      words, you have a Fifth Amendment right to remain silent. No  
25      one can compel you to make any statement that is

1                   incriminating in any way so that you could sit mute  
2                   throughout the trial. The government could put on its case  
3                   but they could not argue that your silence was evidence of  
4                   guilt. Do you understand that?

5                   THE DEFENDANT: Yes, Your Honor.

6                   THE COURT: All right. If you elected to put on a  
7                   defense, you have the right to issue subpoenas, to have the  
8                   Court enforce those subpoenas, to have witnesses brought into  
9                   court to testify in your defense. Do you understand that?

10                  THE DEFENDANT: Yes, Your Honor.

11                  THE COURT: Finally, do you understand that before I  
12                  can accept a guilty plea in these two cases you have to waive  
13                  or give up all the rights I just told you about?

14                  THE DEFENDANT: I understand that, Your Honor.

15                  THE COURT: All right. Please be seated for a moment.

16                  Mr. Squires, would you please outline the elements of  
17                  the two offenses that he's offering to plead guilty to and  
18                  that you must prove beyond a reasonable doubt at trial.

19                  MR. SQUIRES: Yes, Your Honor.

20                  I'm reading the government's plea agreement as to Counts  
21                  1 and two 2 the indictment previously referenced.

22                  The elements to Count 1, conspiracy, in violation of 18  
23                  United States Code Section 371. First, that an agreement  
24                  existed between two or more persons to commit bribery, honest  
25                  service wire fraud and/or money laundering; second, the

1 defendant knowingly participated in the conspiracy with the  
2 intent to commit federal program bribery, honest services  
3 wire fraud and/or money laundering; third, one of the  
4 conspirators committed at least one overt act in furtherance  
5 of the conspiracy; and, the acts occurred in the Southern  
6 District of Ohio on or about the dates set forth in the  
7 indictment.

8 THE COURT: So you understand, then, that this doesn't  
9 mean that they have to prove that you committed one of the  
10 acts. It only means that they have to prove that one of the  
11 co-conspirators committed one of these acts. Do you  
12 understand that?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: All right. Go on.

15 MR. SQUIRES: Thank you, Your Honor.

16 Your Honor, I mentioned several underlying offenses  
17 which are the basis of the conspiracy, federal program  
18 bribery, honest service wire fraud, and money laundering.

19 As to honest service wire fraud in violation of Title 18  
20 United States Code Section 1343 and 1346 the government would  
21 have to prove, first, the defendant knowingly devised or  
22 participated in a scheme to defraud the public of its right  
23 to the honest services of a public official through bribery  
24 and/or kickbacks; second, the defendant did so knowingly and  
25 with intent to defraud; third, the scheme or artifice to

1 defraud involved a material misrepresentation, false  
2 statement, false pretense, or concealment of fact; and,  
3 fourth, in advancing or furthering or carrying out the scheme  
4 to defraud, the defendant transmitted, or caused to be  
5 transmitted, any writing, signal or sound by means of wire  
6 communication in interstate or foreign commerce.

7 As to the money laundering in violation of Title 18  
8 United States Code Section 1957. First, the government would  
9 have to prove the defendant knowingly engaged and caused  
10 another to engage in a monetary transaction; second, the  
11 defendant knew the transaction involved property or funds  
12 that were the proceeds of some criminal activity; and, third,  
13 the property had value of more than \$10,000.

14 Your Honor, the penalties for Count 1, mandatory minimum  
15 there is none. As a possible maximum, that is five years in  
16 prison, a \$250,000 fine, \$100 special assessment, and a  
17 potential of three years of supervised release.

18 THE COURT: Thank you.

19 You understand those elements?

20 THE DEFENDANT: Yes, I do, Your Honor.

21 THE COURT: And you understand that each of those  
22 elements would have to be proved beyond a reasonable doubt or  
23 you could not be convicted of that charge at trial?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Go right ahead, Mr. Squires.

1 MR. SQUIRES: Thank you, Your Honor.

2 As to Count 2, the elements of federal program bribery  
3 and aiding abetting that offense in violation of Title 18  
4 United States Code Section 666(a)(1)(B) and Section 2.

5 As to the elements of 18 United States Code Section  
6 666(a)(1)(B), first, the government would have to prove the  
7 defendant was an agent of an organization, a state or local  
8 or tribal government, or an agency of a state, local or  
9 tribal government; second, the government would have to prove  
10 that the organization, state or local government, state or  
11 local government agency or tribal government received  
12 assistance in excess of \$10,000 in a one year period; third,  
13 the federal assistance was under a federal program involving  
14 a grant, contract, subsidy, guarantee, insurance, or other  
15 form of federal assistance; and, fourth, the government would  
16 have to prove the one-year period of federal assistance was  
17 twelve months before or after the commission of the offense  
18 as defined in 18 United States Code Section 666(d)(5); the  
19 fifth element, Your Honor, the defendant solicited or  
20 demanded for the benefit of any person or accepted or agreed  
21 to accept a thing of value from any person; the sixth element  
22 the government would have to prove is that the defendant  
23 intended to be influenced or rewarded in connection with the  
24 transaction or series of transactions of the organization or  
25 agency that involved \$5,000 or more; the seventh element is,

1       Your Honor, the defendant acted corruptly; and, eighth, the  
2       act occurred within the Southern District of Ohio on or about  
3       the dates set forth in the indictment.

4           As to the elements of Section 2, that being aiding and  
5       abetting; first, the defendant aided and abetted, counsel,  
6       commanded, induced or procured the commission of the above  
7       offense within the Southern District of Ohio; and, second of  
8       this two element count, the defendant did so willingly and  
9       willfully.

10          As to the penalties as to Count 2, Your Honor, there are  
11       no mandatory minimums. However, there is a possible maximum  
12       penalty of ten years in prison, a \$250,000 fine, a \$100  
13       special assessment, and three years of supervised release.

14          And this is submitted by my office and Mr. Gibson's  
15       office.

16           THE COURT: Thank you.

17          Mr. Ahmad, the same applies to Count 2. Each of the  
18       elements must be proved beyond a reasonable doubt or you  
19       cannot be convicted.

20          A couple of questions, Mr. Squires. First of all, the  
21       federal program involved.

22          MR. GIBSON: Your Honor, for purposes of 666, it's not  
23       necessary that a specific program be identified. The fact of  
24       the matter is that the State of Ohio receives far, far in  
25       excess of \$10,000 from the federal government per year for a

1 variety of programs. In fact, the state treasury is  
2 responsible for investing a significant number of those funds  
3 until they can be used by the State of Ohio for the  
4 designated purposes.

5 Specifically, the State of Ohio gets money from the  
6 Department of Justice, Department of Transportation, a number  
7 of other federal agencies.

8 THE COURT: Human Services.

9 MR. GIBSON: Yes, sir.

10 THE COURT: All right. How did this come to light?

11 MR. GIBSON: There were initially media reports  
12 questioning the relationship between Mr. Alo and Mr. Ahmad in  
13 connection with an arrangement involving another institution  
14 and another set of transactions managed by the state  
15 treasury. From there, the investigation led to Mr. Hampton  
16 and the uncovering of the scheme involving Mr. Hampton and  
17 the work he was doing on behalf of the state treasurer's  
18 office at the direction of Mr. Ahmad.

19 THE COURT: In my experience, this sounds like the  
20 sort of thing that might come to light through an anonymous  
21 complaint to the Inspector General. Is that what happened  
22 here or not?

23 MR. GIBSON: No, sir.

24 THE COURT: All right.

25 MR. SQUIRES: What Mr. Gibson said was completely

1 accurate. I just want to add, Your Honor, that original  
2 initial investigation is the subject of an ongoing  
3 investigation and not the subject of currently this  
4 indictment or the statement of facts, for purpose of clarity.

5 THE COURT: Thank you.

6 You heard a shortened version of the alleged facts.  
7 You've had the opportunity to read the twelve-page factual  
8 basis, correct?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Is there anything in this 52 paragraph  
11 factual basis that you take issue with?

12 THE DEFENDANT: No, Your Honor.

13 THE COURT: There's nothing in here that is not true  
14 as far as you know; is that correct?

15 THE DEFENDANT: That is correct, Your Honor.

16 THE COURT: And you indeed signed this document both  
17 yesterday and today?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: All right. After having read it and  
20 understood it and affirmed that it was factually accurate?

21 THE DEFENDANT: Yes, Your Honor. I read it numerous  
22 times.

23 THE COURT: Very good.

24 You understand that the Court will order a presentence  
25 investigation?

1                   THE DEFENDANT: Yes, Your Honor.

2                   THE COURT: And that you and Ms. Goethals and  
3                   Mr. Schneider about will have an opportunity to sit down with  
4                   the probation officer writing your presentence report to  
5                   provide background information for that report. If  
6                   objections are necessary to be filed, they will file them.  
7                   They will attempt to negotiate --

8                   MR. SCHNEIDER: Could we approach?

9                   THE COURT: Yes.

10                  (Thereupon, the Court and counsel conferred off the record  
11                  out of the hearing of the court reporter.)

12                  THE COURT: I suppose to continue, counsel will meet  
13                  with the probation officer and try to negotiate any  
14                  objections away prior to sentencing. To the extent that they  
15                  remain for sentencing, we'll deal with them on the day of  
16                  sentencing. All right?

17                  THE DEFENDANT: I understand that.

18                  THE COURT: All right. The present release situation  
19                  is that you're on bond. You reside in Chicago, Illinois?

20                  THE DEFENDANT: (Nodding head affirmatively.)

21                  THE COURT: The government's position is?

22                  MR. SQUIRES: We ask that he remain on the conditions  
23                  ordered at the time of the initial arraignment on the  
24                  indictment. I have a representation from counsel that his  
25                  passport has been surrendered and that that is true. He only

1 has one passport; that he is a US citizen if the Court may  
2 inquire about that.

3 THE DEFENDANT: Yes. I am a US citizen only holding  
4 one passport and I reside in the city of Chicago where I  
5 have -- I check in with the Chicago office, pretrial services  
6 Chicago office on a weekly basis on this case.

7 THE COURT: Very good.

8 MR. SCHNEIDER: And surrendered --

9 THE COURT: And currently under supervision.

10 THE DEFENDANT: Correct. And I surrendered my  
11 passport on the day of arraignment on August 15, 2013, Your  
12 Honor.

13 THE COURT: Thank you.

14 Mr. Ahmad, how do you plead to Count 1, conspiracy,  
15 violation of 18 United States Code Section 371?

16 THE DEFENDANT: Your Honor, I plead guilty.

17 THE COURT: As to both aspects of the honest services  
18 wire fraud and the money laundering?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: All right.

21 MR. GIBSON: Your Honor, it's actually three objects.  
22 The 666 was also an object of the conspiracy.

23 THE COURT: Very good.

24 And then Count 2, how do you plead to that?

25 THE DEFENDANT: Your Honor, I plead guilty.

1                   THE COURT: Very good.

2                   The Court will accept your guilty plea at this time;  
3                   will find that there is more than an ample statement of facts  
4                   to support all of the operative elements that must be proved  
5                   beyond a reasonable doubt. There is a sufficient factual  
6                   basis to support the guilty plea. You are now adjudged  
7                   guilty of both of these offenses.

8                   And as I said, the Court will order a presentence  
9                   investigation. Bond will continue under the same conditions  
10                  as previously set. Continue to report to your pretrial  
11                  services officer. Sentencing will be ten to twelve weeks  
12                  down the road generally. All right?

13                  THE DEFENDANT: Yes, Your Honor.

14                  THE COURT: All right. Very good.

15                  Anything further? Have we missed anything?

16                  MR. GIBSON: No, Your Honor.

17                  MR. SQUIRES: No, Your Honor.

18                  MR. SCHNEIDER: I don't think so, Your Honor.

19                  THE COURT: All right. Very good. That will be all.

20                  (The hearing of this cause was adjourned at 3:06 p.m.)

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## C E R T I F I C A T E

I, Lahana DuFour, do hereby certify that the foregoing is a true and correct transcript of the proceedings before the Honorable Michael H. Watson, Judge, in the United States District Court, Southern District of Ohio, Eastern Division, on the date indicated, reported by me in shorthand and transcribed by me or under my supervision.

s/Lahana DuFour  
Lahana DuFour, RMR, CRR  
Official Federal Court Reporter